

ATTACHMENT 37

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Lynch, Gerald

March 5, 2014

1

IN THE UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: PROCESSED EGG PRODUCTS
ANTITRUST LITIGATION

MDL NO. 2002

08-md-02002

THIS DOCUMENT RELATES TO
Kraft Foods Global, Inc., et al.
v. United Egg Producers, Inc.,
et al., No. 2:12-cv-00088-GP

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Wednesday, March 5, 2014

10:22 a.m.

Videotaped deposition of GERALD LYNCH, convened at the law offices of Robins, Kaplan, Miller & Ciresi LLP, 2800 LaSalle Plaza, 800 LaSalle Avenue, Minneapolis, Minnesota 55402, pursuant to notice, the proceedings being recorded stenographically by Jonathan Wonnell, a Registered Professional Court Reporter (NCRA #835577), and transcribed under his direction.

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Lynch, Gerald

March 5, 2014

2 (Pages 2 to 5)

2	4
<p>1 APPEARANCES OF COUNSEL</p> <p>2</p> <p>3 On behalf of the Plaintiff General Mills and</p> <p>4 the Deponent:</p> <p>5 RICHARD P. CAMPBELL, ESQ.</p> <p>6 SARAH S. ANSARI, ESQ.</p> <p>7 Jenner & Block LLP</p> <p>8 330 North Clark Street</p> <p>9 Chicago, Illinois 60654-3456</p> <p>10 (312) 840-9530</p> <p>11 rcampbell@jenner.com</p> <p>12 sansari@jenner.com</p> <p>13 -- and --</p> <p>14 MARY E. KIEDROWSKI, ESQ.</p> <p>15 RACHEL A. PORTER, ESQ.</p> <p>16 General Mills</p> <p>17 Number One General Mills Boulevard</p> <p>18 Minneapolis, Minnesota 55426</p> <p>19 (763) 764-6698</p> <p>20 mary.kiedrowski@genmills.com</p> <p>21 rachel.porter@genmills.com</p> <p>22</p>	<p>1 CONTENTS</p> <p>2 WITNESS PAGE</p> <p>3 GERALD LYNCH</p> <p>4 By Mr. Davis: 6</p> <p>5 By Mr. Schwinger: 58</p> <p>6</p> <p>7 EXHIBITS MARKED</p> <p>8 LABEL/DESCRIPTION PAGE</p> <p>9 Exhibit Lynch 1 - News release from the 29</p> <p>10 generalmills.com website (3 pgs., No Bates)</p> <p>11 Exhibit Lynch 2 - Animal Welfare statement from 32</p> <p>12 generalmills.com website (2 pgs., No Bates)</p> <p>13 Exhibit Lynch 3 - Document re: General Mills one 43</p> <p>14 million cage-free egg buy (GMI 00032288</p> <p>15 through 00032293)</p> <p>16 Exhibit Lynch 4 - Handwritten notes by Gerald 48</p> <p>17 Lynch (GMI 00030754)</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>
3	5
<p>1 APPEARANCES (Cont'd)</p> <p>2</p> <p>3 On behalf of the Defendant United Egg</p> <p>4 Producers and United States Egg</p> <p>5 Marketers:</p> <p>6 EVAN W. DAVIS, ESQ.</p> <p>7 Pepper Hamilton LLP</p> <p>8 3000 Two Logan Square</p> <p>9 Eighteenth and Arch Streets</p> <p>10 Philadelphia, Pennsylvania 19103-2799</p> <p>11 (215) 981-4000</p> <p>12 davisw@pepperlaw.com</p> <p>13</p> <p>14 On behalf of the Defendant Michael Foods:</p> <p>15 PETER J. SCHWINGLER, ESQ.</p> <p>16 Leonard, Street and Deinard</p> <p>17 150 South Fifth Street, Suite 2300</p> <p>18 Minneapolis, Minnesota 55402</p> <p>19 (612) 335-7023</p> <p>20 peter.schwinger@leonard.com</p> <p>21</p> <p>22 ALSO PRESENT: STEVE KNUTSON, Videographer</p>	<p>1 PROCEEDINGS</p> <p>2 (10:22 a.m.)</p> <p>3 THE VIDEOGRAPHER: We are on the record.</p> <p>4 This is the videotaped deposition of Gerald Lynch</p> <p>5 taken on March 5th 2014. The time now is</p> <p>6 approximately 10:22 a.m. The deposition is being</p> <p>7 taken in the matter In Reference Processed Egg</p> <p>8 Products Antitrust Litigation. It's filed in the</p> <p>9 U.S. District Court for the Eastern District of</p> <p>10 Pennsylvania. File number is 08-MD-02002. The</p> <p>11 deposition is taking place in Minneapolis,</p> <p>12 Minnesota.</p> <p>13 My name is Steve Knutsen. I'm a</p> <p>14 videographer representing Henderson Legal Services.</p> <p>15 Will counsel please identify themselves for the</p> <p>16 record.</p> <p>17 MS. ANSARI: On behalf of General Mills</p> <p>18 and the deponent, Sarah Ansari of Jenner & Block.</p> <p>19 MR. CAMPBELL: Richard Campbell of</p> <p>20 Jenner & Block on behalf of General Mills.</p> <p>21 MS. KIEDROWSKI: Mary Kiedrowski from</p> <p>22 General Mills.</p>

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Lynch, Gerald

March 5, 2014

3 (Pages 6 to 9)

<p style="text-align: right;">6</p> <p>1 MS. PORTER: Rachel Porter, General 2 Mills. 3 MR. DAVIS: Evan Davis from Pepper 4 Hamilton on behalf of the United Egg Producers and 5 United States Egg Marketers. 6 MR. SCHWINGLER: Peter Schwingler from 7 Stinson, Leonard, Street on behalf of defendant 8 Michael Foods, Inc. 9 THE VIDEOGRAPHER: Could the court 10 reporter please swear in the witness. 11 * * * * * 12 Whereupon, 13 GERALD LYNCH, 14 called as a Witness, was duly sworn by 15 Jonathan Wonnell, a Notary Public in and 16 for the Minnesota, and was examined and 17 testified as follows. 18 * * * * * 19 EXAMINATION BY COUNSEL FOR UNITED EGG PRODUCERS AND 20 UNITED STATES EGG MARKETERS 21 BY MR. DAVIS: 22 Q. Good morning, Mr. Lynch.</p>	<p style="text-align: right;">8</p> <p>1 Q. And it's also important that we get oral 2 responses to your questions because nods can't be 3 taken down as testimony. 4 A. Sure. 5 Q. And "uh-huh" can't be taken down 6 clearly. 7 A. Okay. 8 Q. So it's important to get yes or no 9 responses. 10 A. Okay. 11 Q. We can take a break whenever you would 12 like one. Simply let me know. I'd be happy to 13 accommodate you. 14 A. Okay. 15 Q. I only ask that we don't take a break 16 while a question is pending. If I've asked a 17 question, I'd like you to answer it and then I'd be 18 happy to take a break. 19 A. Sure. 20 Q. If you at all don't understand any of my 21 questions, please just ask me to clarify them, and 22 I'd be happy to do so.</p>
<p style="text-align: right;">7</p> <p>1 A. Good morning. 2 Q. My name is Evan Davis. I'm counsel to 3 United Egg Producers and United States Egg 4 Marketers in this litigation. Thank you for coming 5 today. 6 A. You bet. 7 Q. Have you ever had your deposition taken 8 before? 9 A. Never. 10 Q. Your counsel may have done this 11 previously, but I will go over of a few guidelines 12 or ground rules. 13 A. Okay. 14 Q. As you can see, there is a court 15 reporter here as well as a videographer. They'll 16 be taking down all of your testimony today. And 17 you understand that this testimony could be used at 18 trial, should the case get to that point? 19 A. Mm-hmm. Yes. 20 Q. You understand that you're under oath 21 today? 22 A. Yes.</p>	<p style="text-align: right;">9</p> <p>1 A. Okay. 2 Q. It's also important that you answer all 3 of my questions fully and to the best of your 4 knowledge. Is there any reason why you can't give 5 full and accurate and truthfully testimony here 6 today? 7 A. Not that I'm aware of. 8 Q. Okay. Great. Could you please tell me 9 your job title at General Mills. 10 A. So I am vice president and chief 11 sustainability officer for General Mills. 12 Q. How long have you had that title? 13 A. Four and a half years. 14 Q. What was your title previously? 15 A. I was the vice president of the 16 Progresso business unit. 17 Q. For how long did you have that title? 18 A. Two years. 19 Q. When did you become chief of 20 sustainability officer? 21 A. So I worked as vice president of applied 22 sustainability from July of 2009 until August of</p>

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Lynch, Gerald

March 5, 2014

4 (Pages 10 to 13)

<p style="text-align: right;">10</p> <p>1 2010 and the chief sustainability officer in August 2 of 2010. 3 Q. What was your title prior to your work 4 in the Progresso business unit? 5 A. I was director of marketing for Europe, 6 Middle East, North Africa region for General Mills 7 Q. When was that? 8 A. 2003 to 2007. 9 Q. What were you prior to that? 10 A. I was director of marketing for 11 international or international based in 12 Minneapolis. 13 Q. When was that? 14 A. That would have been 2001 to 2003. 15 Q. Did you have a title prior to that? 16 A. Yup. I was marketing manager in the 17 Cheerios business unit handling some of the 18 Cheerios brands. 19 Q. When was that? 20 A. It would have been 2000, 2001, to the 21 best of my recollection. 22 Q. Prior to that?</p>	<p style="text-align: right;">12</p> <p>1 Q. Let's keep going backwards. 2 A. And assistant marketing manager on sweet 3 rolls, snack bars in the snacks division. And then 4 my first role was assistant marketing manager on 5 the WIC program within the cereal division. 6 Q. Women, Infants and Children? 7 A. Correct. 8 Q. And before that, you were not at General 9 Mills? 10 A. I was not at General Mills. 11 Q. Were you employed somewhere else? 12 A. I was. I worked for Wilton Enterprises 13 in Chicago. 14 Q. What type of company is that? 15 A. It's a housewares company. 16 Q. What's your educational background? 17 A. So I have a bachelor of music education 18 from Wheaton College in 1983 and then an MBA in 19 marketing and finance from the Kellogg School, 20 1994. So I did that part time. 21 Q. Do you have any responsibility for what 22 General Mills refers to as responsible sourcing?</p>
<p style="text-align: right;">11</p> <p>1 A. I was -- for a very short amount of 2 time, six months, I work in our corporate 3 development acquisition group as a manager. 4 Q. Prior to that? 5 A. A marketing manager for trade marketing 6 in the Betty Crocker division. 7 Q. When was that? 8 A. That would have been -- now you're 9 testing my memory here -- like '99 to 2000. 10 Q. Before that? 11 A. Marketing manager on Betty Crocker 12 potatoes for a year. So it would have been like 13 '98, '99. 14 Q. Before that? 15 A. An assistant marketing manager -- no. 16 Sorry. Marketing manager on category management 17 within the Betty Crocker division. 18 Q. How about before that? 19 A. And assistant marketing manager on Betty 20 Crocker potatoes. 21 Q. Was that your first title? 22 A. No.</p>	<p style="text-align: right;">13</p> <p>1 A. Mm-hmm. 2 Q. Yes? 3 A. Yes, I do. 4 Q. So what is responsible sourcing? 5 A. So responsible sourcing, the way it's 6 used internally, the way it's talked about 7 internally is looking at human rights and animal 8 welfare rights within our supply chain. 9 Q. When was responsible sourcing 10 established? 11 A. I don't honestly know. It was 12 transferred over from our legal group to the 13 sustainable sourcing group in -- twelve months ago 14 basically. 15 Q. So prior to twelve months ago, it 16 existed within the legal group? 17 A. Correct. 18 Q. Were you a part of it at that time? 19 A. We were a consultant to it because of 20 the work that we're doing on sustainability. 21 Q. What do you mean "we"? 22 A. My team.</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

5 (Pages 14 to 17)

<p style="text-align: right;">14</p> <p>1 Q. Your team being whom?</p> <p>2 A. So in our team, I've got a director of</p> <p>3 corporate social responsibility, a finance manager,</p> <p>4 a applied sustainability manager, and then</p> <p>5 reporting dotted line to me is our director of</p> <p>6 sourcing sustainability.</p> <p>7 Q. Who is that?</p> <p>8 A. Steve Peterson. And then he has one</p> <p>9 manager, same title, manager of sourcing</p> <p>10 sustainability.</p> <p>11 Q. Who is that?</p> <p>12 A. Her name is Amy Owen.</p> <p>13 Q. Okay. Who is the director of corporate</p> <p>14 social responsibility?</p> <p>15 A. Catherine Gunsbury.</p> <p>16 Q. And the director of finance?</p> <p>17 A. It's a manager of finance. Her name is</p> <p>18 a Rena Pal.</p> <p>19 Q. Powell?</p> <p>20 A. P-a-l, like buddy pal.</p> <p>21 Q. Got it. And I didn't hear the title,</p> <p>22 but within applied sustainability?</p>	<p style="text-align: right;">16</p> <p>1 aggregate and coordinate the publication of that</p> <p>2 information.</p> <p>3 Q. So Steve Peterson, Amy Owen --</p> <p>4 A. Uh-huh.</p> <p>5 Q. -- and yourself are three individuals</p> <p>6 who are probably most involved with responsible</p> <p>7 sourcing?</p> <p>8 A. Correct.</p> <p>9 Q. Are any one or two of the three of you</p> <p>10 more involved in the animal welfare component of it</p> <p>11 than others?</p> <p>12 A. Steve is probably the most involved.</p> <p>13 Q. And are you involved to some degree?</p> <p>14 A. Yes. As a manager of the total team.</p> <p>15 Q. How about Amy?</p> <p>16 A. She may be from an ancillary point of</p> <p>17 view, a development point of view, but she doesn't</p> <p>18 have point responsibility within sourcing for that.</p> <p>19 Q. So that's been within the last twelve</p> <p>20 months that it's been under the sustainability</p> <p>21 umbrella?</p> <p>22 A. Correct.</p>
<p style="text-align: right;">15</p> <p>1 A. Yeah, so applied sustainability manager.</p> <p>2 Her name is Ellen Silva.</p> <p>3 Q. And all of these people together form</p> <p>4 your team?</p> <p>5 A. Correct.</p> <p>6 Q. And that team is known as what?</p> <p>7 A. The sustainability team.</p> <p>8 Q. Okay. So how is that -- or is that</p> <p>9 distinguishable from responsible sourcing?</p> <p>10 A. Today responsible sourcing fits</p> <p>11 underneath that umbrella.</p> <p>12 Q. And who is affiliated with responsible</p> <p>13 sourcing? All of these people?</p> <p>14 A. No. Mostly Steve and Amy, who have</p> <p>15 specific sourcing responsibility, and they report</p> <p>16 up -- straight line up through the sourcing</p> <p>17 organization. And then Catherine Gunsbury and</p> <p>18 Sarena Wood from a reporting point of view, from an</p> <p>19 external reporting point of view.</p> <p>20 Q. What do you mean by that?</p> <p>21 A. Meaning they publish our global</p> <p>22 responsibility reports, so they collect and</p>	<p style="text-align: right;">17</p> <p>1 Q. And before that, it was under the legal</p> <p>2 umbrella?</p> <p>3 A. Correct.</p> <p>4 Q. But you were still part of it at that</p> <p>5 time?</p> <p>6 A. Yeah, we would consult on it, obviously.</p> <p>7 Q. The same individuals, you and Steve and</p> <p>8 Amy primarily?</p> <p>9 A. Correct.</p> <p>10 Q. Who else was involved with it over a</p> <p>11 year ago?</p> <p>12 A. So the only other person -- well, two</p> <p>13 people would be Maury Murphy, who is a legal</p> <p>14 counsel in the organization and Jill Bollettieri,</p> <p>15 who's a legal counsel within the supply chain.</p> <p>16 Q. Can you spell her last name, Jill? Was</p> <p>17 it a V or a B?</p> <p>18 A. B. Bollettieri. I would butcher it if</p> <p>19 I tried. I can't remember. Sorry.</p> <p>20 Q. That's fine. And what was their</p> <p>21 responsibility within responsible sourcing?</p> <p>22 A. So it was to oversee -- my</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

6 (Pages 18 to 21)

<p style="text-align: right;">18</p> <p>1 understanding, based on my interaction with them, 2 was it was to oversee things like signature for -- 3 we're a signatory to the UN Global Compact. They 4 oversaw our responsible sourcing, which is a human 5 rights program within our facilities and our 6 co-packers. 7 Q. Anything related to animal welfare on 8 their end? 9 A. No. It wouldn't have been. 10 Q. That would have still stayed with you 11 and Steve and Amy? 12 A. Right. 13 Q. For how long have you been involved, 14 then, with responsible sourcing? 15 A. So since the beginning of my work, my 16 boss -- for the first year that I was in the 17 sustainability -- so let me clarify. The entire 18 time I've been involved with our sustainability 19 work. 20 Q. 2009? 21 A. Right. 22 Q. Okay.</p>	<p style="text-align: right;">20</p> <p>1 function was -- certainly existed. 2 Q. Okay. 3 A. And discussions about how we do this 4 within sourcing operations were active discussions 5 when I joined. 6 Q. So responsible sourcing existed sometime 7 prior to 2009? 8 A. Correct. 9 Q. But you're not sure when? 10 A. Correct. 11 Q. So if somebody said it started in 2010, 12 that wouldn't be true? 13 A. Correct. 14 Q. Okay. Do you have regular meetings or 15 anything like that for responsible sourcing? 16 A. We have -- not specifically responsible 17 sourcing at this point. We don't -- it falls under 18 the -- it's a subject of discussion within other 19 sustainability -- regular sustainability meetings 20 that we have. 21 Q. Did you ever have meetings that were 22 limited to responsible sourcing?</p>
<p style="text-align: right;">19</p> <p>1 A. My boss would have been much more 2 involved in the sourcing end of it the first year. 3 I was much more focused on employee programs and 4 operational programs. 5 Q. Who is your boss? 6 A. Gene Kahn was his name. 7 Q. K or C? 8 A. K-A-H-N. Yeah. 9 Q. And how about prior to 2009? 10 A. Clarify what you're asking. 11 Q. Who was involved in responsible sourcing 12 prior to 2009? 13 A. I really don't know. 14 Q. Do you know if it existed prior to 2009? 15 A. I don't honestly know. I'd have to 16 speculate if it did. 17 Q. I'll ask it this way. When you became 18 involved in 2009 -- 19 A. Yeah. 20 Q. -- was it a preexisting thing, or were 21 you starting from day one? 22 A. No. What existed within the legal</p>	<p style="text-align: right;">21</p> <p>1 A. Again, the way we characterize the 2 definition, no. Within the full picture of 3 sustainability, yes. 4 Q. For meetings that discuss responsible 5 sourcing issues, would you invite others from 6 within General Mills? For example, if you were 7 discussing an animal welfare-related issue, might 8 you invite someone from the sourcing or buying side 9 for certain animal products? 10 A. Certainly. 11 Q. And you have, in fact, had those types 12 of discussions, right? 13 A. Sure, yeah. 14 Q. And you have invited individuals from 15 sourcing or buying? 16 A. Correct. 17 Q. Okay. Now, are you aware that General 18 Mills has filed a lawsuit against a number of 19 entities, including United Egg Producers and United 20 States Egg Marketers and a number of egg producers? 21 A. Just based on what we have discussed in 22 preparation for this.</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

7 (Pages 22 to 25)

<p>22</p> <p>1 Q. And that would be in preparation for</p> <p>2 your deposition?</p> <p>3 A. Correct.</p> <p>4 Q. What did you do to prepare for your</p> <p>5 deposition?</p> <p>6 A. Just to understand what would happen</p> <p>7 today.</p> <p>8 Q. You met with your attorneys?</p> <p>9 A. Correct.</p> <p>10 Q. And did you meet with all four of your</p> <p>11 attorneys present in this room?</p> <p>12 A. Correct.</p> <p>13 Q. When did you meet with them?</p> <p>14 A. Last week.</p> <p>15 Q. For about how long?</p> <p>16 A. Was it an hour?</p> <p>17 Q. About an hour last week?</p> <p>18 A. Right.</p> <p>19 Q. Here in Minneapolis?</p> <p>20 A. Correct.</p> <p>21 Q. Had you ever met with your attorneys to</p> <p>22 discuss this litigation prior to last week?</p>	<p>24</p> <p>1 A. That's the extent of my understanding.</p> <p>2 Q. And do you have any belief as to whether</p> <p>3 those allegations are meritorious?</p> <p>4 A. I don't.</p> <p>5 Q. Have you talked to others at General</p> <p>6 Mills, not counsel, but others at General Mills</p> <p>7 about this case?</p> <p>8 A. No.</p> <p>9 Q. About the allegations in this case.</p> <p>10 A. Not that I can recall.</p> <p>11 Q. Did you talk to anyone at General Mills</p> <p>12 about the deposition that you're giving here today,</p> <p>13 again, excluding counsel?</p> <p>14 A. Just administrative, just to let them</p> <p>15 know I would be out of the building, but not the</p> <p>16 specifics of what the topic was.</p> <p>17 Q. Do you know a gentleman at General Mills</p> <p>18 by the name of Binh Tran?</p> <p>19 A. I do.</p> <p>20 Q. Have you ever discussed this case with</p> <p>21 him?</p> <p>22 A. No.</p>
<p>23</p> <p>1 A. Only to pass off documents when the --</p> <p>2 when we were first put on litigation hold, whenever</p> <p>3 that was.</p> <p>4 Q. And between then and a week ago, you've</p> <p>5 had no discussions with counsel about this case?</p> <p>6 A. Correct.</p> <p>7 Q. Did you go over documents with counsel</p> <p>8 last week?</p> <p>9 A. No.</p> <p>10 Q. None?</p> <p>11 A. No.</p> <p>12 Q. What do you understand General Mills'</p> <p>13 allegations in this lawsuit to be?</p> <p>14 MS. ANSARI: Objection to the extent</p> <p>15 they ask for communications with counsel.</p> <p>16 BY MR. DAVIS:</p> <p>17 Q. I specifically did not ask that. I</p> <p>18 asked what you understand General Mills'</p> <p>19 allegations to be.</p> <p>20 A. The -- that we've filed suit for</p> <p>21 collusion to fix prices.</p> <p>22 Q. Anything else?</p>	<p>25</p> <p>1 Q. Have you ever discussed the allegations</p> <p>2 in this case with him?</p> <p>3 A. No.</p> <p>4 Q. Have you had any discussions with him at</p> <p>5 all?</p> <p>6 A. Oh, on lots of different topics, sure.</p> <p>7 Q. But nothing that pertains to this case?</p> <p>8 A. We would have discussed our animal</p> <p>9 welfare policy and its development in our animal</p> <p>10 welfare programs.</p> <p>11 Q. And he would have been part of those</p> <p>12 discussions?</p> <p>13 A. I can't honestly remember if it was him</p> <p>14 or somebody who had his role at the time when those</p> <p>15 were in development.</p> <p>16 Q. But that's it?</p> <p>17 A. Right.</p> <p>18 Q. Okay.</p> <p>19 A. Yeah.</p> <p>20 Q. So animal welfare issues are obviously</p> <p>21 discussed at General Mills?</p> <p>22 A. Sure. Yup.</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

8 (Pages 26 to 29)

<p style="text-align: right;">26</p> <p>1 Q. And a lot of those discussions occur</p> <p>2 within your group?</p> <p>3 A. Correct.</p> <p>4 Q. Have you had discussions or been a part</p> <p>5 of discussions that are specific to eggs or the</p> <p>6 hens that lay them?</p> <p>7 A. Yes.</p> <p>8 Q. What's the earliest that you can recall</p> <p>9 having been part of those discussions?</p> <p>10 A. So within this current role?</p> <p>11 Q. No. At all.</p> <p>12 A. So there were discussions when I was</p> <p>13 marketing director in Europe. Haagen Daz uses a</p> <p>14 lot of eggs. There was a small NGO who -- that was</p> <p>15 focused on animal welfare that had approached us</p> <p>16 about moving to cage-free eggs. And so there were</p> <p>17 discussions when I was marketing director at the</p> <p>18 time about doing that and what the cost would be</p> <p>19 and et cetera.</p> <p>20 Q. Did those discussions involve the U.S.</p> <p>21 business at all?</p> <p>22 A. It did not.</p>	<p style="text-align: right;">28</p> <p>1 individuals that you've already named who were part</p> <p>2 of your sustainability group?</p> <p>3 A. Yeah. So there would have been our</p> <p>4 corporate communications team, Tom Forsythe would</p> <p>5 have been -- who's our vice president of corporate</p> <p>6 communications. Because he was handling the direct</p> <p>7 discussions with HSUS. And then whoever was</p> <p>8 handling the purchase of eggs at the time. I can't</p> <p>9 honestly remember who that was. Those are the ones</p> <p>10 that come to mind that would have been part of that</p> <p>11 discussion.</p> <p>12 Q. Were there any discussions that you were</p> <p>13 a part of with people from the egg production</p> <p>14 industry?</p> <p>15 A. I was never in any of those discussions,</p> <p>16 no.</p> <p>17 Q. Are you aware of any of those</p> <p>18 discussions taking place between individuals from</p> <p>19 the industry and people from General Mills?</p> <p>20 A. It would had to have happened because of</p> <p>21 the nature of the commitment and being able to</p> <p>22 execute against that commitment. And so those were</p>
<p style="text-align: right;">27</p> <p>1 Q. How about in your current role? What</p> <p>2 discussions -- what's the earliest that you recall</p> <p>3 having discussions?</p> <p>4 A. So I'm guessing it was probably early</p> <p>5 2010. One of the animal welfare NGOs had</p> <p>6 approached us about eggs, specifically eggs, and</p> <p>7 the raising of eggs.</p> <p>8 Q. Is that the Humane Society of the United</p> <p>9 States?</p> <p>10 A. Correct.</p> <p>11 Q. How about after that? What other animal</p> <p>12 welfare-related discussions pertaining to eggs or</p> <p>13 hens do you recall being a part of?</p> <p>14 A. So that's been part of our regular</p> <p>15 review of our sustainability programs that we do.</p> <p>16 So there would have been touch point conversations.</p> <p>17 We had made a commitment at that point</p> <p>18 to purchase initially one million cage-free eggs as</p> <p>19 part of our supply. And there would have been a</p> <p>20 review of progress against that in regular reviews.</p> <p>21 Q. Who else from General Mills were</p> <p>22 involved in these discussions outside of the</p>	<p style="text-align: right;">29</p> <p>1 discussed in these reviews and decision-making</p> <p>2 meetings.</p> <p>3 Q. Do you know who from the industry was</p> <p>4 involved?</p> <p>5 A. I don't.</p> <p>6 Q. I'll show you what's been marked as</p> <p>7 Exhibit 1.</p> <p>8 (Exhibit Lynch 1 was marked for</p> <p>9 identification.)</p> <p>10 BY MR. DAVIS:</p> <p>11 Q. Mr. Lynch, do you recognize Exhibit 1?</p> <p>12 A. I do.</p> <p>13 Q. What is this document?</p> <p>14 A. This is a news release that looks like</p> <p>15 it came from our company website about our</p> <p>16 sustainable sourcing commitment that we made last</p> <p>17 September.</p> <p>18 Q. Do you see the -- one, two, three,</p> <p>19 four -- fifth paragraph is a quote from you?</p> <p>20 A. Correct.</p> <p>21 Q. Did you review this document at all</p> <p>22 before it was published?</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

9 (Pages 30 to 33)

<p style="text-align: right;">30</p> <p>1 A. I did.</p> <p>2 Q. If you would turn to page 2 of this</p> <p>3 document, right after the numbered list ends, it</p> <p>4 reads, "In addition to its sustainable commitment,</p> <p>5 General Mills will continue to support the humane</p> <p>6 treatment of animals in agriculture. The company</p> <p>7 will enforce its animal welfare policy, which</p> <p>8 covers pork, milk and egg production, antibiotic</p> <p>9 use and animal testing."</p> <p>10 Do you see that?</p> <p>11 A. Correct.</p> <p>12 Q. And is that an accurate statement?</p> <p>13 A. Yes.</p> <p>14 Q. What is General Mills' animal welfare</p> <p>15 policy as it pertains to egg production?</p> <p>16 A. So it would be the commitment that we've</p> <p>17 made to purchase two million cage-free eggs. And</p> <p>18 there may be other language surrounding that, but I</p> <p>19 don't remember off the top of my head.</p> <p>20 Q. So General Mills' animal welfare policy</p> <p>21 as it pertains to egg production is to purchase a</p> <p>22 certain number of cage-free eggs?</p>	<p style="text-align: right;">32</p> <p>1 BY MR. DAVIS:</p> <p>2 Q. I'll show you what's been marked as</p> <p>3 Exhibit 2.</p> <p>4 A. Okay.</p> <p>5 (Exhibit Lynch 2 was marked for</p> <p>6 identification.)</p> <p>7 BY MR. DAVIS:</p> <p>8 Q. Mr. Lynch, do you recognize Exhibit 2?</p> <p>9 A. Yes. It looks like the additional</p> <p>10 language about our animal welfare policy that comes</p> <p>11 off of our website.</p> <p>12 Q. Under "Egg Production," this reads, "To</p> <p>13 encourage the development of alternative production</p> <p>14 methods in the U.S., General Mills purchased</p> <p>15 one million eggs from cage-free hens for our U.S.</p> <p>16 retail operations in 2012." Do you see that?</p> <p>17 A. Correct.</p> <p>18 Q. Is that an accurate statement?</p> <p>19 A. Yes.</p> <p>20 Q. General Mills did, in fact, purchase</p> <p>21 one million cage-free eggs for U.S. retail</p> <p>22 operations in 2012?</p>
<p style="text-align: right;">31</p> <p>1 A. Correct.</p> <p>2 Q. And that's it?</p> <p>3 A. Correct.</p> <p>4 Q. Okay. So does General Mills have any</p> <p>5 animal welfare standards, then, that pertain to</p> <p>6 egg-laying hens?</p> <p>7 A. Not beyond that commitment unless</p> <p>8 there's -- there's a -- unless there's a separate</p> <p>9 document or language that talks to that that I</p> <p>10 can't remember. But that's the driving piece of</p> <p>11 our commitment.</p> <p>12 Q. Okay. Does General Mills have any</p> <p>13 requirements related to animal welfare that pertain</p> <p>14 to its egg product suppliers?</p> <p>15 A. So ask that question again. Sorry.</p> <p>16 MR. DAVIS: Could you read it back?</p> <p>17 (Whereupon, the requested portion of</p> <p>18 testimony was read back by the reporter.)</p> <p>19 A. Not that I can recall beyond the two</p> <p>20 million commitment as well as the -- in Europe,</p> <p>21 there is the commitment to purchase cage-free eggs</p> <p>22 for Haagen Daz.</p>	<p style="text-align: right;">33</p> <p>1 A. Correct.</p> <p>2 Q. And has General Mills purchased more</p> <p>3 since then?</p> <p>4 A. I believe we have against the two</p> <p>5 million egg commitment. I'm not clear on where</p> <p>6 we're at.</p> <p>7 Q. So two million -- the commitment for two</p> <p>8 million eggs is for what period of time?</p> <p>9 A. It's for a year.</p> <p>10 Q. Which year?</p> <p>11 A. I'd have to look. I believe it's a</p> <p>12 commitment for 2014.</p> <p>13 Q. 2014?</p> <p>14 A. Right.</p> <p>15 Q. Okay. Now, above that, this document</p> <p>16 references what you already mentioned, which is a</p> <p>17 commitment to source -- or 100 percent free-range</p> <p>18 eggs for all Haagen Daz products produced in Europe</p> <p>19 in 2013.</p> <p>20 A. Correct.</p> <p>21 Q. Does General Mills have any such</p> <p>22 commitment for any of its brands in the United</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

10 (Pages 34 to 37)

<p style="text-align: right;">34</p> <p>1 States?</p> <p>2 A. No.</p> <p>3 Q. Why not?</p> <p>4 A. Because this is a broad commitment for</p> <p>5 our total buy, not specific to any one brand.</p> <p>6 Q. What is a broad commitment?</p> <p>7 A. It applies to how we buy things, which</p> <p>8 is we buy things -- not necessarily for specific</p> <p>9 brands. Not in all cases do we buy things</p> <p>10 specifically for specific brands.</p> <p>11 Q. In the U.S.?</p> <p>12 A. Correct.</p> <p>13 Q. Okay. Back to the statement about the</p> <p>14 United States.</p> <p>15 A. Yup.</p> <p>16 Q. It says, "To encourage the development</p> <p>17 of alternative production methods in the U.S." Do</p> <p>18 you see that?</p> <p>19 A. Yup.</p> <p>20 Q. What does that mean?</p> <p>21 A. I think just what it says. To encourage</p> <p>22 the development of methods that are not</p>	<p style="text-align: right;">36</p> <p>1 A. Correct.</p> <p>2 Q. And General Mills has an interest in</p> <p>3 making sure that hens receive an amount of space</p> <p>4 that scientific standards consider to be</p> <p>5 sufficient?</p> <p>6 A. That would result in humane treatment of</p> <p>7 the hens.</p> <p>8 Q. So I'll rephrase that --</p> <p>9 A. Sure.</p> <p>10 Q. -- because you did a better job than I</p> <p>11 did.</p> <p>12 General Mills has an interest in making</p> <p>13 sure that hens have an amount of space that</p> <p>14 scientific standards consider to allow for the</p> <p>15 humane treatment of hens?</p> <p>16 A. Correct.</p> <p>17 Q. Why does General Mills have an interest</p> <p>18 in that?</p> <p>19 A. Well, first of all, it's the right thing</p> <p>20 to do and, secondly, because our consumers care</p> <p>21 about it as well.</p> <p>22 Q. How do they care about it, your</p>
<p style="text-align: right;">35</p> <p>1 traditional, limited cage size, also known as</p> <p>2 battery cage, for hens.</p> <p>3 Q. So General Mills wants to encourage the</p> <p>4 development of production methods other than</p> <p>5 battery cages for hens?</p> <p>6 A. To have an alternative, yeah.</p> <p>7 Q. That's why they want to encourage --</p> <p>8 A. Correct.</p> <p>9 Q. -- the development of that production</p> <p>10 method?</p> <p>11 A. Correct.</p> <p>12 Q. Why?</p> <p>13 A. To make sure that animals are taken --</p> <p>14 treated well. And because the science on the</p> <p>15 existing cages and alternative methods is unclear.</p> <p>16 So having more -- having another alternative out</p> <p>17 there that can be studied and observed is in the</p> <p>18 benefit -- is, you know, to the benefit of making</p> <p>19 sure that animals are treated well in the supply</p> <p>20 chain.</p> <p>21 Q. Okay. And so that includes the amount</p> <p>22 of space that's given to hens?</p>	<p style="text-align: right;">37</p> <p>1 consumers?</p> <p>2 A. In what we understand of consumers is</p> <p>3 that they want to make sure that animals are</p> <p>4 just -- are treated well, no matter what situation</p> <p>5 they're in.</p> <p>6 Q. And that they reflect those views in</p> <p>7 their purchasing decisions?</p> <p>8 A. Sometimes. Sometimes just in their</p> <p>9 values.</p> <p>10 Q. But would General Mills care if they</p> <p>11 don't reflect those views in their purchasing</p> <p>12 decisions?</p> <p>13 A. Yeah. Because if it's the right thing</p> <p>14 to do for that treatment, the humane treatment of</p> <p>15 animals, then we would definitely care.</p> <p>16 Q. So General Mills cares for two reasons.</p> <p>17 A. Correct.</p> <p>18 Q. One is because General Mills wants to do</p> <p>19 what's right for animals?</p> <p>20 A. Correct.</p> <p>21 Q. And another is because of the way that</p> <p>22 that is going to be perceived by consumers?</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

11 (Pages 38 to 41)

<p style="text-align: right;">38</p> <p>1 A. Correct.</p> <p>2 Q And so specific to the latter half of</p> <p>3 that --</p> <p>4 A. Yup.</p> <p>5 Q -- General Mills' interest in consumer</p> <p>6 perceptions about the company's animal welfare --</p> <p>7 the company's procurement decisions --</p> <p>8 A. Uh-huh.</p> <p>9 Q -- is because those consumers may</p> <p>10 reflect their views on animal welfare issues in</p> <p>11 deciding what products to purchase?</p> <p>12 A. Yeah. Let's rerun that one, because</p> <p>13 that was a lot to remember.</p> <p>14 Q I'm just trying to parse this out.</p> <p>15 A. Yeah.</p> <p>16 Q And I'm not doing a particularly good</p> <p>17 job of it. But specific to the consumer</p> <p>18 preferences part of this --</p> <p>19 A. Right.</p> <p>20 Q -- interest, it's that consumers care</p> <p>21 about animal welfare issues?</p> <p>22 A. Correct.</p>	<p style="text-align: right;">40</p> <p>1 Q Making sure that hens whose eggs wind up</p> <p>2 in General Mills' products are given --</p> <p>3 A. Adequate space. Absolutely.</p> <p>4 Q Okay.</p> <p>5 A. Yup.</p> <p>6 Q So let's talk about this commitment to</p> <p>7 purchase -- well, let's start it at a million, and</p> <p>8 it's since increased, to purchase a certain amount</p> <p>9 of cage-free eggs. How did that come about?</p> <p>10 A. So we were approached by HSUS, had</p> <p>11 discussions to understand what they thought the</p> <p>12 issues were. Had conversations with -- my</p> <p>13 understanding was that we had conversations with</p> <p>14 suppliers about their understanding of the issues,</p> <p>15 what alternatives were in development.</p> <p>16 You know, we're not the first company</p> <p>17 that HSUS has talked to, so this is not an unknown</p> <p>18 issue in the egg industry. And in discussions with</p> <p>19 HSUS, we agreed to make that first initial million</p> <p>20 commitment.</p> <p>21 Q So you say you're not the first company?</p> <p>22 A. Yeah.</p>
<p style="text-align: right;">39</p> <p>1 Q And to some extent, they reflect that in</p> <p>2 their decision on what products to purchase, right?</p> <p>3 A. Sometimes.</p> <p>4 Q Sometimes. And that they may decide to</p> <p>5 purchase or not purchase a General Mills product</p> <p>6 versus a competitor's product based on, among other</p> <p>7 reasons, animal welfare issues, right?</p> <p>8 A. Sometimes. Correct.</p> <p>9 Q And so that -- to the extent that</p> <p>10 General Mills cares about animal welfare for</p> <p>11 consumer preference reasons, it's because those</p> <p>12 consumer preferences can be reflected in consumers'</p> <p>13 purchasing decisions?</p> <p>14 A. Correct.</p> <p>15 Q Okay. Thank you. Have there been any</p> <p>16 discussions that you're aware of regarding the UEP</p> <p>17 Certified program?</p> <p>18 A. Not that I'm aware of.</p> <p>19 Q Any discussions pertaining to the amount</p> <p>20 of cage space that hens are given?</p> <p>21 A. That's part of the animal welfare</p> <p>22 discussion around eggs as we look at this.</p>	<p style="text-align: right;">41</p> <p>1 Q You're aware of them going out to other</p> <p>2 food companies?</p> <p>3 A. Correct.</p> <p>4 Q Retailers?</p> <p>5 A. Could be. Not as familiar with that.</p> <p>6 Q But food companies at least?</p> <p>7 A. Food companies.</p> <p>8 Q And what is it that they do? They come</p> <p>9 up to you and they say, would you please consider</p> <p>10 sourcing cage-free eggs?</p> <p>11 A. So they educate us on what -- on their</p> <p>12 concerns about animal welfare; in this case,</p> <p>13 specifically about eggs and hens that lay eggs, and</p> <p>14 alternatives that they believe are better, and ask</p> <p>15 us to make a commitment to move some of our</p> <p>16 sourcing to some of these alternatives.</p> <p>17 Q Do they pressure the company at all?</p> <p>18 A. What's your definition of "pressure"?</p> <p>19 Q Do you think that they exert any -- do</p> <p>20 they do anything beyond just ask?</p> <p>21 A. I wouldn't characterize it as anything</p> <p>22 beyond the discussions that we've had. But</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

12 (Pages 42 to 45)

<p style="text-align: right;">42</p> <p>1 certainly I'm sure others would characterize it as 2 pressure. It depends on your definition of 3 "pressure." 4 Q Have you heard anyone characterize it as 5 pressure? 6 A. Oh, sure. You see it in the media all 7 the time. 8 Q. Anyone at General Mills? 9 A. I'm sure the language has been used, 10 yeah. 11 Q. So what did you understand that to mean? 12 A. That HSUS would like us to change our 13 sourcing and procurement practices around eggs 14 Q. And if you don't, then they will -- fill 15 in the blank. Then they will do what? 16 A. I don't know. 17 Q. That never came up? 18 A. No. 19 Q. Okay. So are you aware of any -- 20 well -- threats by HSUS to bring a shareholder 21 resolution against General Mills? 22 A. I don't recall a shareholder resolution</p>	<p style="text-align: right;">44</p> <p>1 ongoing commitment to buy one million eggs, I'm 2 guessing, at that point. 3 Q. Well, you said earlier that General 4 Mills purchased a million cage-free eggs in 2012, 5 correct? 6 A. Correct. 7 Q. So presumably somebody recommended that 8 General Mills do that before it occurred, right? 9 A. Correct. 10 Q. So fair to say that that recommendation, 11 that's what this is referencing here? 12 A. Correct. 13 Q. Okay. And then the next paragraph down 14 where it says, "Why? The Humane Society of the 15 United States, HSUS, has threatened to bring a 16 shareholder resolution against General Mills, 17 repeating the threat it made in 2010." 18 Do you see that? 19 A. Yup. 20 Q. Does that refresh your recollection at 21 all of that actually occurring? 22 A. It doesn't. But I'm not surprised that</p>
<p style="text-align: right;">43</p> <p>1 being threatened on eggs. 2 Q. Okay. I'll show you what's been marked 3 as Exhibit 3. 4 A. Okay. 5 (Exhibit Lynch 3 was marked for 6 identification.) 7 BY MR. DAVIS: 8 Q. Do you recognize this document at all? 9 A. I don't off the top of my head. That's 10 not to say that I didn't -- that I haven't seen it 11 before, but I don't recognize it off the top of my 12 head. 13 Q. So on the first page -- 14 A. Yeah. 15 Q. -- this references a recommendation that 16 General Mills buy one million cage-free eggs in 17 2012. 18 A. Okay. 19 Q. And you recall that recommendation 20 coming up in one of the meetings that you were in? 21 A. I don't recall this specific 22 recommendation. It would have been part of the</p>	<p style="text-align: right;">45</p> <p>1 that's there. 2 Q. It goes on to talk about shareholder 3 resolutions that HSUS has brought against other 4 companies. 5 A. Uh-huh. 6 Q. Do you recall any discussion of that 7 ever occurring? 8 A. I don't recall the discussion, but I'm 9 sure there was discussion of it. We keep track of 10 shareholder resolutions in all the areas that we 11 work in, publicly as they become known in the news. 12 Q. Why? 13 A. Because we operate the company 14 fundamentally. 15 Q. But what is it about shareholder 16 resolutions that is worth tracking? 17 A. I'm not quite sure what you mean. 18 Q. What's the significance of shareholder 19 resolutions? 20 A. Well, it's a measure perhaps of 21 activities by NGOs or other interested parties on 22 any number of issues.</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

13 (Pages 46 to 49)

<p style="text-align: right;">46</p> <p>1 Q. Has there been an interest expressed to</p> <p>2 stave off shareholder resolutions?</p> <p>3 A. Certainly in given situations, yeah.</p> <p>4 Q. Why?</p> <p>5 A. Simply because they can complicate the</p> <p>6 decision-making process.</p> <p>7 Q. How?</p> <p>8 A. By having multiple voices, external</p> <p>9 voices, involved in what is essentially an</p> <p>10 operating decision.</p> <p>11 Q. So General Mills has an interest in</p> <p>12 excluding external voices from things like its</p> <p>13 procurement decisions?</p> <p>14 A. It has an interest in making the best</p> <p>15 possible decisions.</p> <p>16 Q. That's not the what I asked, though. I</p> <p>17 asked if General Mills has an interest in excluding</p> <p>18 external voices --</p> <p>19 A. In some cases, yes.</p> <p>20 Q -- from its procurement decisions.</p> <p>21 A. In some cases, yes.</p> <p>22 Q. And would this be one of those</p>	<p style="text-align: right;">48</p> <p>1 (Exhibit Lynch 4 was marked for</p> <p>2 identification.)</p> <p>3 BY MR. DAVIS:</p> <p>4 Q. Do you recognize this document?</p> <p>5 A. It looks like my scrawls.</p> <p>6 Q. You believe this is your handwriting?</p> <p>7 A. It looks like it, yeah.</p> <p>8 Q. And at the top, it says "HSUS" and then</p> <p>9 "September 7th 2010"?</p> <p>10 A. Correct.</p> <p>11 Q. Do you have any reason to think that</p> <p>12 wasn't the date that you met with them?</p> <p>13 A. No. That looks like the date. These</p> <p>14 look like my notes from a discussion we had with</p> <p>15 them.</p> <p>16 Q. So who is Sarah Shields?</p> <p>17 A. I don't recall. I'm guessing she was</p> <p>18 part of HSUS at the time.</p> <p>19 Q. And it looks like Josh Balk, factory</p> <p>20 farming campaign. Was he at this meeting?</p> <p>21 A. I certainly recall meeting with Josh as</p> <p>22 part of a meeting in 2010. Yes.</p>
<p style="text-align: right;">47</p> <p>1 instances, the decision to purchase cage-free eggs?</p> <p>2 A. It could very well be. I mean, I don't</p> <p>3 recall that discussion, again, about the</p> <p>4 shareholder resolution, but it could very well be.</p> <p>5 Q. Who would be involved in discussions</p> <p>6 about shareholder resolutions pertaining to animal</p> <p>7 welfare issues?</p> <p>8 A. So the people we've discussed before.</p> <p>9 Tom Forsythe, Trevor Gunderson, who's in our</p> <p>10 corporate secretary's office.</p> <p>11 Q. How about Naamua Sullivan?</p> <p>12 A. Potentially, yeah. As a -- she manages</p> <p>13 and tracks all the issues that we manage externally</p> <p>14 reputationally.</p> <p>15 Q. Wendy Tai?</p> <p>16 A. Perhaps. Wendy's responsibility has</p> <p>17 been more international than U.S.-based, at least</p> <p>18 while -- the time I've been in this role. Kim</p> <p>19 Nelson, our head of external relations, would be</p> <p>20 involved in decisions like that.</p> <p>21 Q. I'll show you what's been marked as</p> <p>22 Exhibit 4.</p>	<p style="text-align: right;">49</p> <p>1 Q. What is the factory farming campaign?</p> <p>2 A. I honestly don't remember specifics. It</p> <p>3 might have just been my notes about the fact that</p> <p>4 they were pushing a factory farming campaign. I</p> <p>5 don't remember the specifics about whether that's</p> <p>6 something more specific or special or --</p> <p>7 Q. If you go down the page, it says, "25</p> <p>8 percent more expensive" -- it looks like "barn</p> <p>9 system versus cage system to produce." Is that</p> <p>10 right?</p> <p>11 A. Correct.</p> <p>12 Q. What does that refer to?</p> <p>13 A. To my recollection, it refers to the</p> <p>14 difference between hens being raised in cages and</p> <p>15 hens being raised in a barn but outside of cages.</p> <p>16 So on roosts.</p> <p>17 Q. And are those the types of eggs that</p> <p>18 General Mills sources for its cage-free commitment?</p> <p>19 A. I don't recall off the top of my head if</p> <p>20 that's the specific way that we're sourcing those.</p> <p>21 Q. Are the eggs that General Mills sources</p> <p>22 for its cage-free commitment more expensive than</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

14 (Pages 50 to 53)

<p style="text-align: right;">50</p> <p>1 the eggs that it otherwise sources?</p> <p>2 A. My understanding is that they are, yes.</p> <p>3 Q So General Mills pays a premium for</p> <p>4 cage-free eggs?</p> <p>5 A. Correct.</p> <p>6 Q And that affects the company's bottom</p> <p>7 line?</p> <p>8 A. Correct. It affects our costs.</p> <p>9 Q It affects your costs?</p> <p>10 A. Correct.</p> <p>11 Q Why does General Mills pay that premium</p> <p>12 that affects its costs? Why does it choose to do</p> <p>13 that?</p> <p>14 A. So for the reasons we've discussed, we</p> <p>15 want to make sure we're doing the right thing for</p> <p>16 animals. We believe an alternative supply is</p> <p>17 important to understand.</p> <p>18 Q Mm-hmm.</p> <p>19 A. And reputationally, we think there's</p> <p>20 value in doing that.</p> <p>21 Q Why does General Mills not source more</p> <p>22 of its eggs than it currently does from cage-free</p>	<p style="text-align: right;">52</p> <p>1 supply.</p> <p>2 Q You mean like going to the farms and</p> <p>3 looking at the animals?</p> <p>4 A. Right.</p> <p>5 Q And do people in General Mills do that?</p> <p>6 A. Our animal welfare team would visit</p> <p>7 those.</p> <p>8 Q Who does that include?</p> <p>9 A. So that would be -- Steve leads that</p> <p>10 team, and there would be -- there would be other</p> <p>11 members. I can't remember off the top of my head</p> <p>12 is part of that team, but there would be other</p> <p>13 members of that team probably from direct sourcing,</p> <p>14 probably from our quality group, potentially</p> <p>15 somebody from our legal group.</p> <p>16 Q And you need to actually source</p> <p>17 cage-free eggs in order to be able to do those</p> <p>18 inspections?</p> <p>19 A. We wouldn't have to. I'm sure there are</p> <p>20 other ways you could get at it. But we choose to.</p> <p>21 Q Why do you choose to? That's what I'm</p> <p>22 trying to understand.</p>
<p style="text-align: right;">51</p> <p>1 sources?</p> <p>2 A. Because it's not clear that that's</p> <p>3 necessarily better for the hen.</p> <p>4 Q So then why does General Mills source</p> <p>5 any of its eggs from cage-free sources?</p> <p>6 A. Because the science isn't clear, so we</p> <p>7 think an alternative -- having an alternative</p> <p>8 supply and understanding that is valuable.</p> <p>9 Q Understanding that -- you mean just for</p> <p>10 the world at large?</p> <p>11 A. Understanding of -- and for us as well.</p> <p>12 Both.</p> <p>13 Q But is the company's understanding of</p> <p>14 that enhanced at all by sourcing a percentage of</p> <p>15 its eggs from cage-free sources?</p> <p>16 A. Sure.</p> <p>17 Q How?</p> <p>18 A. By understanding what that looks like</p> <p>19 from a supply point of view.</p> <p>20 Q What do you mean by that?</p> <p>21 A. Well, understanding what the welfare of</p> <p>22 those animals is in being able to observe that</p>	<p style="text-align: right;">53</p> <p>1 A. Well -- to -- because we believe it's</p> <p>2 important to invest in an alternative supplier,</p> <p>3 have an alternative supply available for the world</p> <p>4 at large, doing our part.</p> <p>5 Q Okay. Doing your part.</p> <p>6 A. Right.</p> <p>7 Q So it's like a charitable donation or</p> <p>8 something like that?</p> <p>9 A. That's one way of thinking of it.</p> <p>10 Q Okay. You obviously track what your</p> <p>11 competitors are doing as well, right?</p> <p>12 A. Yes. What we can see publicly.</p> <p>13 Q And why is that something that the</p> <p>14 company does?</p> <p>15 A. We're a consumer products company, so</p> <p>16 we're interested in what other companies are doing</p> <p>17 publicly because that affects consumer perceptions.</p> <p>18 We're interested in understanding if they have a</p> <p>19 different understanding of animal welfare that we</p> <p>20 can learn from.</p> <p>21 Q So you said it affects consumer</p> <p>22 perceptions. You want to see if one of your</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

15 (Pages 54 to 57)

<p style="text-align: right;">54</p> <p>1 competitors is marketing themselves as having 2 cage-free eggs, for example, or eggs that meet 3 certain animal welfare standards, how that plays in 4 the marketplace? 5 A. Correct. 6 Q. If it plays well, maybe that's something 7 we'll latch onto as well? 8 A. Correct. 9 Q. If it doesn't play well, then maybe 10 we'll steer clear of that? 11 A. Correct. 12 Q. Any concern that a competitor might 13 market their products as superior to yours based on 14 animal welfare standards? 15 A. Always. We're a consumer products 16 company. 17 Q. And so that actually happens? 18 A. What happens? What are you -- 19 Q. That competitor -- well, competitors 20 market their products as being superior to your 21 products. 22 A. Sure.</p>	<p style="text-align: right;">56</p> <p>1 A. I'm not aware of them at all. 2 Q. A group called Compassion Over Killing? 3 A. I'm not aware of them. 4 Q. PETA? 5 A. I'm not aware of discussion on eggs with 6 PETA. 7 Q. Other animal products? 8 A. Correct. 9 Q. Are you aware of any organizations other 10 than HSUS contacting any of your competitors 11 pertaining to egg, animal welfare or egg-laying hen 12 animal welfare? 13 A. No. Huh-uh. 14 Q. Are you aware of any discussions between 15 NGOs or advocacy groups and retailers regarding the 16 animal welfare for eggs or egg-laying hens? 17 A. I'm not. Huh-uh. 18 Q. So you've never had a customer of 19 General Mills, like a retail customer, come to you 20 or the company that you're aware of and say, you 21 know, we're getting pressure from this group about 22 egg issues or hen issues?</p>
<p style="text-align: right;">55</p> <p>1 Q. All the time? 2 A. All the time. 3 Q. And one, among other reasons, that they 4 might market their products that way would be 5 animal welfare-related issues? 6 A. Correct. 7 Q. Okay. So we talked about HSUS and their 8 discussions with General Mills -- 9 A. Mm-hmm. 10 Q. -- that resulted in General Mills 11 changing its egg procurement practices, right? 12 A. Correct. 13 Q. How about other NGOs or advocacy groups 14 or animal activists or anything like that? Have 15 there been other discussions at General Mills has 16 had? 17 A. On lots of issues. 18 Q. Specific to eggs or hens, egg-laying 19 hens? 20 A. I'm not aware of any. 21 Q. Anything involving a group called United 22 Poultry Concerns?</p>	<p style="text-align: right;">57</p> <p>1 A. I'm not aware of any customer asking for 2 that. 3 Q. Are you familiar with the UEP Certified 4 program? 5 A. I am not. 6 Q. Have you ever heard of it? 7 A. No. 8 Q. Okay. Are you aware of any discussions 9 regarding a licensing agreement for Betty Crocker 10 eggs? 11 A. I'm not aware of that. I know we have 12 lots of licensing agreements. 13 Q. Discussions about a licensing agreement 14 for Betty Crocker eggs? 15 A. No. 16 MR. DAVIS: Can we go off the record? 17 THE VIDEOGRAPHER: Going off the record 18 about 11:18 a.m. 19 (Whereupon, a recess was taken from 20 11:17 a.m to 11:28 a.m.) 21 THE VIDEOGRAPHER: We're back on the 22 record about 11:29 a.m.</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

16 (Pages 58 to 61)

<p style="text-align: right;">58</p> <p>1 MR. DAVIS: Mr. Lynch, that's all the 2 questions that I have for you today. 3 Mr. Schwinger is going to have a few for you, I 4 believe. 5 THE WITNESS: Okay. 6 EXAMINATION BY COUNSEL FOR MICHAEL FOODS 7 BY MR. SCHWINGLER: 8 Q Mr. Lynch, my name is Peter Schwinger. 9 I represent Michael Foods, which is a defendant in 10 this case. If I could just have you turn your 11 attention back to Exhibit 4 for a second. 12 A. Sure. 13 Q. And am I correct this is a document that 14 you authored? 15 A. That's what it looks like. It looks 16 like my notes. 17 Q. And you believe this document consists 18 of your notes from a meeting in 2010 with the 19 Humane Society? 20 A. It looks like it. I can't say for sure, 21 but it looks like it, given that I've written Sarah 22 and Josh's name at the top.</p>	<p style="text-align: right;">60</p> <p>1 Q. So are you suggesting here that Unilever 2 could gain a first mover advantage by using 3 cage-free eggs to produce its Hellman's mayonnaise? 4 A. I think at this point, they had already 5 done that. And my guess is that this is an example 6 that Josh and Sarah gave to us. 7 Q. And you would consider Unilever to be a 8 competitor of General Mills, correct? 9 A. Correct. 10 Q. Do you know in what form General Mills 11 purchases its cage-free eggs, as shell eggs or 12 dried eggs or some other type of egg product? 13 A. I don't. I don't. Not with any 14 certainty. I know there's been discussions around 15 both dried and liquid, I think, from my 16 recollection, but I don't know for sure. 17 Q. Do you know what General Mills makes 18 using the cage-free eggs that it buys? 19 A. I don't know specifically where they go 20 in our supply chain. 21 MR. SCHWINGLER: I have no other 22 questions.</p>
<p style="text-align: right;">59</p> <p>1 Q. If you go roughly three-fourths of the 2 way down the page, there's a line that appears to 3 say, "where is Unilever getting first mover 4 advantage?" 5 A. Uh-huh. 6 Q. Can you tell me what you mean by the 7 words "first mover advantage"? 8 A. It would be a marketing claim in market. 9 Unilever is -- has a very strong reputation and a 10 very strong program in sustainability. And this is 11 probably a note to myself to try and understand 12 where they're getting first mover advantage for 13 making a claim on one of their products. You can 14 see here I've written @the Hellman's cage-free 15 eggs. 16 Q. By the first mover advantage, do you 17 mean that they're the first competitor to make a 18 certain claim? 19 A. Correct. 20 Q. But, for example, here, then, Hellman's 21 is mayonnaise, correct? 22 A. Correct.</p>	<p style="text-align: right;">61</p> <p>1 MS. ANSARI: We don't have any 2 questions. 3 MR. CAMPBELL: That's it. 4 MR. DAVIS: Great. Thank you very much. 5 THE WITNESS: You're welcome. 6 (Reading and signing reserved). 7 (Whereupon, at 11:32 a.m. the deposition 8 was adjourned.) 9 * * * * * 10 11 12 13 14 15 16 17 18 19 20 21 22</p>

HIGHLY CONFIDENTIAL

Lynch, Gerald

March 5, 2014

17 (Pages 62 to 63)

<p style="text-align: right;">62</p> <p>1 ACKNOWLEDGMENT OF DEPONENT</p> <p>2</p> <p>3 I, _____, do hereby</p> <p>4 acknowledge that I have read and examined the</p> <p>5 foregoing testimony, and the same is a true, correct</p> <p>6 and complete transcription of the testimony given by</p> <p>7 me, and any corrections appear on the attached Errata</p> <p>8 Sheet signed by me.</p> <p>9</p> <p>10</p> <p>11</p> <p>12 _____ (DATE) (SIGNATURE)</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p style="text-align: right;">63</p> <p>1 REPORTER'S CERTIFICATE</p> <p>2</p> <p>3 STATE OF MINNESOTA)</p> <p>4 ss.</p> <p>5 COUNTY OF HENNEPIN)</p> <p>6 I hereby certify that I reported the</p> <p>7 deposition of GERALD LYNCH on March 5, 2014, in</p> <p>8 Minneapolis, Minnesota, and that the witness was by</p> <p>9 me first duly sworn to tell the whole truth;</p> <p>10 That the testimony was transcribed by me</p> <p>11 and that this transcript is a true record of the</p> <p>12 testimony of the witness;</p> <p>13 That the cost of the original has been</p> <p>14 charged to the party who noticed the deposition,</p> <p>15 and that all parties who ordered copies have been</p> <p>16 charged at the same rate for such copies;</p> <p>17 That I am not a relative or employee or</p> <p>18 attorney or counsel of any of the parties, or a</p> <p>19 relative or employee of such attorney or counsel;</p> <p>20 That I am not financially interested in</p> <p>21 the action and have no contract with the parties,</p> <p>22 attorneys, or persons with an interest in the</p> <p> action that affects or has a substantial tendency</p> <p> to affect my impartiality.</p> <p> WITNESS MY HAND AND SEAL THIS 7th day of</p> <p> March, 2014.</p> <p> _____ Jonathan Wonnell Notary Public, Hennepin County, Minnesota My Commission expires January 31, 2017</p>
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